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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

KRISTIN K. MAYES - Chairman

2009 AUG 12 P 2: 15

GARY PIERCE

PAUL NEWMAN

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BOB STUMP

AZ CORP COMMISSION
DOCKET CONTROL

1 AUG 12 2009

DOCKETED BY

DOCKET NO. W-01676A-08-0366

IN THE MATTER OF THE APPLICATION OF
PINEVIEW WATER COMPANY, INC. FOR
APPROVAL OF AN INCREASE IN ITS WATER
RATES.

PROCEDURAL ORDER

BY THE COMMISSION:

On July 18, 2008, Pineview Water Company, Inc. ("Pineview") filed with the Arizona Corporation Commission ("Commission") a Rate Application requesting an increase in rates and using a test year ("TY") ending March 31, 2008. In the Rate Application, Pineview requested an increase in total water revenues of \$47,164, or approximately 6.58 percent, over unaudited TY total water revenues of \$716,936, but did not propose an increase to any of its current rates and charges.

On August 15, 2008, the Commission's Utilities Division Staff ("Staff") issued a Letter of Deficiency and Data Request.

On August 22, 2008, Pineview filed a Data Response along with a revised Rate Application. Pineview stated that it had filed the Rate Application per Commission Decision No. 67989 (July 18, 2005)¹; that Pineview made a profit in 2006 and 2007; that Pineview is relying on Staff's recommendation as to what rate increase is appropriate, if any; and that Pineview is proposing to delete meter deposits from its tariff. In its revised Rate Application, it appears that Pineview is no longer requesting an increase in its revenue, although that is somewhat unclear.²

On September 19, 2008, Staff issued a Second Letter of Deficiency and Data Request.

On October 7, 2008, Pineview filed a Data Response along with a second revised Rate Application. In its second revised Rate Application, Pineview again appears not to be requesting an

¹ Decision No. 67989 required Pineview to file a rate case within three years.

² Paragraph 3 of each of Pineview's various Rate Applications states: "The Company hereby requests the Commission grant an increase in its water rates and charges"

1 increase in revenue and expressly shows that it proposes to eliminate all of its meter installation
2 charges.

3 On November 5, 2008, Staff filed a Third Letter of Deficiency and Data Request.

4 On November 18, 2008, Pineview filed a Data Response along with a third revised Rate
5 Application.

6 On December 17, 2008, Staff filed a Fourth Letter of Deficiency and Data Request. Staff
7 stated therein that the Fourth Letter of Deficiency was necessary because Pineview's TY bill counts
8 do not produce TY metered revenues and need to be reconciled.³

9 On March 9, 2009, Pineview filed revised Schedules B-1.1, C-1, and H-5 to its Rate
10 Application.

11 On April 8, 2009, Staff filed a Fifth Letter of Deficiency and Data Request. Staff stated
12 therein that the Fifth Letter of Deficiency was necessary because of two specific discrepancies
13 between Schedule B-1 and Schedule B-1.1.

14 On April 13, 2009, Pineview filed revised Schedule B-1.1.

15 On April 23, 2009, Staff issued a Letter of Sufficiency, classifying Pineview as a Class C
16 water utility.

17 On May 8 and 13, 2009, Procedural Orders were issued scheduling a hearing in this matter for
18 November 2, 2009, and establishing other procedural requirements and deadlines.⁴

19 On June 9, 2009, Pineview filed an affidavit stating that Pineview had caused notice of the
20 Rate Application and hearing to be mailed to all of its customers on May 21, 2009, and to be
21 published in the *White Mountain Independent*, a semi-weekly newspaper of general circulation
22 published at Show Low in Navajo County, on May 22, 2009.

23 On August 10, 2009, Staff filed a Motion to Suspend the Time Clock, requesting that the time
24 clock in this matter be suspended by 90 days; that the hearing scheduled for November 2, 2009, be
25 vacated; and that the procedural schedule be modified accordingly. Staff explained that Pineview has
26 had difficulty in providing Staff with an accurate bill count for the TY due to glitches in its billing

27 ³ Staff had included this deficiency in the Third Letter of Deficiency and Data Request.

28 ⁴ The original Procedural Order was amended after Staff made a filing pointing out that the text of the public notice included in the original Procedural Order did not include the time the hearing was to commence.

1 program and has implemented a new billing program that Pineview believes has resolved the
2 problem. Staff stated that Pineview would like to change its TY to the 2008 calendar year so that it
3 can provide bill count information using only the new billing program. Staff stated that it does not
4 oppose the change in TY, but that both Pineview and Staff will need additional time, to provide and
5 process information respectively, as a result of the change. Staff stated that it had contacted Pineview
6 concerning the requested extension of time and that Pineview does not oppose the extension.

7 Changing Pineview's TY to the 2008 calendar year will fundamentally change its Rate
8 Application, as the information filed thus far is applicable to the TY ending March 31, 2008, and thus
9 would be mostly irrelevant for a 2008 calendar year TY. In light of this, it is appropriate to schedule
10 a procedural conference to discuss Pineview's request and determine whether it would be more
11 appropriate for Pineview to withdraw the Rate Application in this docket and file a new Rate
12 Application with the updated TY in a new docket. In addition, because notice of the hearing
13 scheduled for November 2, 2009, has already been published and provided to all of Pineview's
14 customers, it is not appropriate at this time to vacate the hearing per Staff's Motion. The issue of
15 vacating the hearing and whether and what additional notice would be required in order to do so
16 should also be discussed at the procedural conference to be scheduled herein.

17 IT IS THEREFORE ORDERED that a **procedural conference shall be held on August 20,**
18 **2009, at 9:30 a.m.,** or as soon thereafter as is practicable, in the **2nd Floor Conference Room** at the
19 Commission's offices in Phoenix, Arizona, for the purposes of discussing the issues set forth in the
20 preceding paragraph.

21 IT IS FURTHER ORDERED that Counsel for Staff and Counsel for Pineview, if any, shall
22 appear in person at the procedural conference, but that the **company representative for Pineview**
23 **may attend telephonically by calling (602) 542-0648.** If Pineview desires to have multiple
24 company representatives attend telephonically from more than one location, Pineview shall arrange
25 for a bridge teleconference, at its own expense, and shall provide the details regarding the bridge
26 teleconference to the Hearing Division by no later than 4:00 p.m. on August 19, 2009.

27 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
28 Communications) applies to this proceeding and shall remain in effect until the Commission's

1 Decision in this matter is final and non-appealable.

2 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
3 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

4 DATED this 12th day of August, 2009.

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6
7 
8 SARAH N. HARPRING
9 ADMINISTRATIVE LAW JUDGE


10 Copies of the foregoing mailed/delivered
11 this 12th day of August, 2009, to:

12 Ronald L. McDonald, General Manager
13 PINEVIEW WATER COMPANY
14 5198 Cub Lake Road
15 Show Low, Arizona 92801

16 Janice Alward, Chief Counsel
17 Janet Wagner, Assistant Chief Counsel
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29 By: 
30 Debra Broyles
31 Secretary to Sarah N. Harpring
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